



S. D. Mast
State of Wisconsin
2005 - 2006 LEGISLATURE

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DOA:.....Johnston, BB0423 - Health care quality improvement

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

DO NOT GEN

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

HEALTH

Under current law, DHFS must collect, analyze, and disseminate health care information from health care providers other than hospitals and ambulatory surgery centers; in addition, DOA must contract with an entity to collect, analyze, and disseminate health care information from hospitals and ambulatory surgery centers. Both DHFS and the entity under contract with DOA must, from the data collected, prepare certain reports that do not permit the identification of a patient, an employer, or a health care provider. The Board on Health Care Information, attached to DHFS, must advise DHFS on the collection, analysis, and dissemination of health care information; provide oversight on the reports issued by DHFS and the entity under contract with DOA; and develop overall strategy and direction for health care information collection activities. Activities of the Board on Health Care Information and DHFS are funded from fees for performance of certain work under contract and from assessments that are annually levied on health care providers other than hospitals and ambulatory surgery centers.

This bill eliminates the Board on Health Care Information as of October 1, 2005, and replaces it on that date with a nine-member Health Care Quality and Patient Safety Board (HCQPSB), attached to DOA, which assumes the duties and powers of the Board on Health Care Information. In addition, the HCQPSB must do all of the following:

1. By March 1, 2006, study and make recommendations concerning the feasibility of creating a centralized physician information database.

2. By October 1, 2006, study and make recommendations concerning rules required and authorized to be promulgated by DHFS concerning the collection, analysis, and dissemination of health care information.

3. By January 1, 2007, develop a plan and specific strategies to deploy health care information systems technology for health care quality, safety, and efficiency.

4. Annually report on its plans, activities, accomplishments, and recommendations.

5. Annually assess the extent to which automated information and decision support systems are used by health care providers in Wisconsin.

6. Annually assess options and develop a plan to achieve automation of all health care systems in Wisconsin by 2010.

7. Make grants or loans to clinics, health maintenance organizations, hospitals, or physicians for various projects.

The bill creates the health care quality improvement fund, a segregated fund that consists of moneys transferred from the injured patients and families compensation fund, the net proceeds of certain revenue obligations, a portion of the annual assessments levied on health care providers other than hospitals and ambulatory surgery centers, and the repayment of any loans made by the HCQPSB. Funds of the health care quality improvement fund are, under the bill, appropriated for general program operations of the HCQPSB, for grants or loans made by the HCQPSB and for benefits under the Medical Assistance (MA) program, including specified hospital payments in specified amounts.

Under the bill, the entity under contract with DOA must annually report to the HCQPSB concerning the fulfillment of the entity's obligations under the contract. Also, before July 1, 2007, DHFS may promulgate only those rules relating to the collection, analysis, and dissemination of health care information that are first approved by the HCQPSB.

OTHER HEALTH AND HUMAN SERVICES

Under current law, the Wisconsin Health and Educational Facilities Authority (WHEFA) provides financial assistance to private and public health facilities and hospitals. This bill prohibits WHEFA from providing such financial assistance unless the health facility or hospital demonstrates to the Health Care Quality and Patient Safety Board (HCQPSB) that WHEFA is making efforts to improve medical technology.

INSURANCE

Under current law, certain health care providers are required to carry health care liability insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim against a health care provider subject to the health care liability insurance requirements that exceeds the policy limits of the health care provider's health care liability insurance is paid by the injured patients and families compensation fund. Moneys for the fund come from annual assessments paid by the health care providers who are subject to the health care liability insurance

requirements. Current law provides that the fund is established to curb the rising costs of health care by financing part of the liability incurred by health care providers as a result of medical malpractice claims and that the fund is held in irrevocable trust for the sole benefit of providers and proper claimants and may not be used for any other purpose of the state.

This bill transfers \$133,843,400 in fiscal year 2005–06 and \$8,764,000 in fiscal year 2006–07 from the injured patients and families compensation fund to the health care quality improvement fund, as created in the bill. The bill also adds to the stated purposes of the injured patients and families compensation fund the purposes of ensuring the availability of health care providers in Wisconsin and of enabling the deployment of health care information systems technology for health care quality, safety, and efficiency, by the Health Care Quality and Patient Safety Board (HCQPSB), as created in the bill.

STATE GOVERNMENT

STATE FINANCE

This bill creates a program to issue revenue obligations to fund costs associated with the reform of the Medical Assistance program. Under the bill, funds for the program may not exceed \$125,000,000. The bill provides that the principal and interest costs on the revenue obligations are to be paid from excise taxes that are currently imposed on the sale of liquor, fermented malt beverages, cigarettes, and tobacco products. These taxes are to be deposited into the excise tax fund, a fund under current law that can be used for any revenue obligations issued to pay the state's unfunded prior service liability under the Wisconsin Retirement System (WRS). To dedicate moneys in the excise tax fund for the payment of these grants, the bill eliminates the state's authority to issue revenue obligations secured by tax revenues derived from the sale of liquor, fermented malt beverages, cigarettes, and tobacco products for the payment of the state's unfunded prior liability under the WRS. Obligations for this purpose have already been issued under other current law authority.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 15.07 (2) (b) of the statutes is repealed.
- 2 **SECTION 2.** 15.07 (2) (n) of the statutes is created to read:
- 3 15.07 (2) (n) The chairperson of the health care quality and patient safety board
- 4 shall be designated biennially by the governor.
- 5 **SECTION 3.** 15.07 (3) (bm) 1. of the statutes is repealed.

1 **SECTION 4.** 15.105 (13) of the statutes is created to read:

2 **15.105 (13) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD.** (a) *Creation;*
3 *membership.* There is created a health care quality and patient safety board,
4 attached to the department of administration under s. 15.03, consisting of the
5 following members:

6 1. The secretary of health and family services, the secretary of employee trust
7 funds, and the secretary of administration or their designees.

8 2. One physician, as defined in s. 448.01 (5).

9 3. One representative of hospitals.

10 4. One employer purchaser of health care.

11 5. One representative of the insurance industry.

12 6. One representative of health maintenance organizations, as defined in s.
13 609.01 (2).

14 7. One member who shall represent the public interest.

15 (b) *Terms.* The board members specified in par. (a) 2. to 7. shall be appointed
16 for 4-year terms.

17 **SECTION 5.** 15.195 (6) of the statutes is repealed.

18 **SECTION 6.** 16.03 (3) of the statutes is amended to read:

19 **16.03 (3) REPORT.** The interagency coordinating council shall report at least
20 twice annually to the health care quality and patient safety board on ~~health care~~
21 ~~information~~ in the department of health and family services administration,
22 concerning the council's activities under this section.

23 **SECTION 7.** 16.526 (title) of the statutes is repealed and recreated to read:

24 **16.526 (title) Revenue obligation program to fund costs associated**
25 **with the reform of the Medical Assistance program.**

1 **SECTION 8.** 16.526 (1) of the statutes is amended to read:

2 16.526 (1) For purposes of subch. II of ch. 18, the purposes of obtaining proceeds
3 to pay the state's anticipated unfunded prior service liability under s. 40.05 (2) (b)
4 and of paying the state's unfunded prior service liability under s. 40.05 (2) (b) and the
5 state's unfunded liability under s. 40.05 (4) (b), (be), and (bw) and subch. IX of ch. 40
6 fund costs associated with the reform of the Medical Assistance program is a special
7 fund program, and the excise tax fund is a special fund. The legislature finds and
8 determines that the excise tax fund is a segregated fund consisting of fees, penalties,
9 or excise taxes and that the special program to pay the state's unfunded prior service
10 liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b),
11 (be), and (bw) and subch. IX of ch. 40 fund costs associated with the reform of the
12 Medical Assistance program from the net proceeds of revenue obligations issued
13 under this section is appropriate and will serve a public purpose.

14 **SECTION 9.** 16.526 (2) of the statutes is amended to read:

15 16.526 (2) The net proceeds of revenue obligations issued under subch. II of ch.
16 18, as authorized under this section, shall be deposited in a fund in the state treasury,
17 or an account maintained by a trustee, created under s. 18.57 (1). The moneys shall
18 be applied for ancillary payments and for the provision of reserves, as determined
19 by the building commission, and for the payment of part or all of the state's unfunded
20 prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under
21 s. 40.05 (4) (b), (be), and (bw) and subch. IX of ch. 40, as determined by the
22 department, costs associated with the reform of the Medical Assistance program, and
23 any remainder shall be paid into a retirement liability Medical Assistance program
24 obligation redemption fund created under 18.562 (3).

25 **SECTION 10.** 16.526 (5) (b) of the statutes is amended to read:

1 16.526 (5) (b) Except as otherwise provided in this paragraph, the
2 requirements for funds obtained to pay the state's anticipated unfunded prior service
3 liability under s. 40.05 (2) (b) and funds used for the payment of the state's unfunded
4 prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under
5 s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, costs associated with the reform
6 of the Medical Assistance program that are to be paid from revenue obligations
7 issued under this section, shall be determined by the secretary. The sum amount of
8 revenue obligations issued under this section and ~~appropriation obligations issued~~
9 ~~under s. 16.527, if any, excluding any appropriation obligations that have been~~
10 ~~defeased under a cash optimization program administered by the building~~
11 ~~commission and any appropriation obligations issued pursuant to s. 16.527 (3) (b) 3.,~~
12 shall not exceed ~~\$1,500,000,000~~ \$125,000,000.

13 **SECTION 11.** 16.529 (2) of the statutes is amended to read:

14 16.529 (2) LAPSES AND TRANSFERS REQUIRED. If obligations are issued under s.
15 ~~16.526 or 16.527, or both,~~ any executive budget bill prepared under s. 16.47 (1) shall
16 require the secretary during the fiscal biennium to which the executive budget bill
17 relates to lapse to the general fund from each appropriation of program revenues,
18 program revenues-service, and federal revenues and to lapse to the applicable fund
19 from each appropriation of segregated fund revenues, segregated fund
20 revenues-service, and segregated federal revenues and subsequently transfer to the
21 general fund an amount equal to that portion of the total amount of principal and
22 interest to be paid on the obligations during the succeeding fiscal biennium that is
23 allocable to the appropriation, as determined under sub. (3). The secretary shall
24 ensure that each state agency includes in the program and financial information

1 forwarded under s. 16.42 (1) an itemization of each amount that is required to be
2 lapsed, or lapsed and transferred, under this subsection.

3 **SECTION 12.** 16.529 (3) (a) of the statutes is amended to read:

4 16.529 (3) (a) The secretary shall first compute the total amount that would
5 have been expended from all appropriations, had obligations under s. ~~16.526~~ or
6 16.527 not been issued, under s. 40.05 (2) (b) and (4) (b), (bc), and (bw) and subch. IX
7 of ch. 40 during the fiscal biennium during which the obligations are issued.

8 **SECTION 13.** 16.529 (3) (c) of the statutes is amended to read:

9 16.529 (3) (c) For each appropriation identified under par. (b), the secretary
10 shall then apply the percentage calculated under par. (b) to the total amount of
11 principal and interest to be paid during the succeeding fiscal biennium on obligations
12 issued under ~~ss. 16.526 and s.~~ 16.527. This amount is the portion of the total amount
13 of principal and interest paid on the obligations during that fiscal biennium that is
14 allocable to each appropriation.

15 **SECTION 14.** 20.435 (4) (hg) of the statutes is amended to read:

16 20.435 (4) (hg) *General program operations; health care information.* The
17 amounts in the schedule to fund the activities of the department of health and family
18 services ~~and the board on health care information~~ under ch. 153. The contract fees
19 paid under s. 153.05 (6m) and assessments paid under s. 153.60, less \$250,000 in
20 assessments paid in each fiscal year, shall be credited to this appropriation account.

21 **SECTION 15.** 20.435 (4) (r) of the statutes is created to read:

22 20.435 (4) (r) *Health care quality improvement fund; Medical Assistance*
23 *reform.* From the health care quality improvement fund, as a continuing
24 appropriation, the amounts in the schedule to provide a portion of the state share of
25 Medical Assistance program benefits administered under s. 49.45, to provide a

1 portion of the Medical Assistance program benefits administered under s. 49.45 that
2 are not also provided under par. (o), to fund the pilot project under s. 46.27 (9) and
3 (10), to provide a portion of the facility payments under 1999 Wisconsin Act 9, section
4 9123 (9m), to fund services provided by resource centers under s. 46.283, and for
5 services under the family care benefit under s. 46.284 (5).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

6 **SECTION 16.** 20.435 (4) (rm) of the statutes is created to read:

7 20.435 (4) (rm) *Health care quality improvement fund; hospital supplemental*
8 *payments.* From the health care quality improvement fund, the amounts in the
9 schedule to provide the payments specified in 2005 Wisconsin Act (this act),
10 section 9121 (3).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

11 **SECTION 17.** 20.505 (1) (sd) of the statutes is amended to read:

12 20.505 (1) (sd) *Revenue obligation proceeds to pay the state's unfunded liability*
13 *under the Wisconsin Retirement System fund costs associated with the reform of the*
14 *Medical Assistance program.* As a continuing appropriation, all proceeds from
15 revenue obligations that are issued under subch. II of ch. 18, as authorized under s.
16 16.526, and deposited in a fund in the state treasury, or in an account maintained by
17 a trustee, created under s. 18.57 (1), as authorized under s. 16.526 (2), to pay part
18 or all of the state's unfunded prior service liability under s. 40.05 (2) (b) and the state's
19 unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, as
20 determined by the department of administration ~~to be transferred to the Health Care~~
21 ~~Quality Improvement fund,~~ and to provide for reserves and to make ancillary
22 payments, as determined by the building commission, and the remainder to be

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1 transferred to a ~~retirement liability~~ Medical Assistance program obligation
2 redemption fund created under s. 18.562 (3). Estimated disbursements under this
3 paragraph shall not be included in the schedule under s. 20.005.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 **SECTION 18.** 20.505 (1) (sh) of the statutes is amended to read:

5 20.505 (1) (sh) *Excise tax fund — revenue obligation repayment.* From the
6 excise tax fund, a sum sufficient to pay a ~~retirement liability~~ Medical Assistance
7 program obligation redemption fund created under s. 18.562 (3) the amount needed
8 to pay the principal of and premium, if any, and interest on revenue obligations
9 issued under subch. II of ch. 18, as authorized under s. 16.526, and to make ancillary
10 payments authorized by the authorizing resolution for the revenue obligations.
11 Estimated disbursements under this paragraph shall not be included in the schedule
12 under s. 20.005.

13 **SECTION 19.** 20.505 (1) (sm) of the statutes is amended to read:

14 20.505 (1) (sm) *Excise tax fund — provision of reserves and payment of ancillary*
15 *costs relating to revenue obligations.* From the excise tax fund, a sum sufficient to
16 provide for reserves and for ancillary payments relating to revenue obligations
17 issued under subch. II of ch. 18, as authorized under s. 16.526 and the resolution
18 authorizing the revenue obligations. Estimated disbursements under this
19 paragraph shall not be included in the schedule under s. 20.005.

20 **SECTION 20.** 20.505 (1) (sp) of the statutes is amended to read:

21 20.505 (1) (sp) *Revenue obligation debt service.* From a ~~retirement liability~~
22 Medical Assistance program obligation redemption fund created under s. 18.562 (3),
23 all moneys received by the fund for the payment of principal of and premium, if any,

1 and interest on revenue obligations issued under subch. II of ch. 18, as authorized
2 under s. 16.526, and for ancillary payments authorized by the authorizing resolution
3 for the revenue obligations. All moneys received by the fund are irrevocably
4 appropriated in accordance with subch. II of ch. 18 and further established in
5 resolutions authorizing the issuance of the revenue obligations under s. 16.526 and
6 setting forth the distribution of funds to be received thereafter. Estimated
7 disbursements under this paragraph shall not be included in the schedule under s.
8 20.005.

9 **SECTION 21.** 20.505 (4) (i) of the statutes is created to read:

10 20.505 (4) (i) *Health care quality and patient safety board; gifts and grants.* All
11 money received from gifts, grants, bequests, and devises to the health care quality
12 and patient safety board, for the purposes for which made.

****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

13 **SECTION 22.** 20.505 (4) (q) of the statutes is created to read:

14 20.505 (4) (q) *Health care quality and patient safety board; general program*
15 *operations.* Biennially, from the health care quality improvement fund, the amounts
16 in the schedule for general program operations of the health care quality and patient
17 safety board.

****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

18 **SECTION 23.** 20.505 (4) (qb) of the statutes is created to read:

19 20.505 (4) (qb) *Health care quality and patient safety board; grants or loans.*
20 As a continuing appropriation, from the health care quality improvement fund, the
21 amounts in the schedule for grants or loans under s. 153.076.

****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

1 **SECTION 24.** 25.17 (1) (gd) of the statutes is created to read:

2 25.17 (1) (gd) Health care quality improvement fund (s. 25.775);

3 **SECTION 25.** 25.775 of the statutes is created to read:

4 **25.775 Health care quality improvement fund.** There is created a
5 separate nonlapsible trust fund designated as the health care quality improvement
6 fund, consisting of all of the following:

7 (1) All moneys transferred under 2005 Wisconsin Act (this act), section 9225
8 (1).

9 (2) All moneys received from s. 20.505 (1) (sd).

10 (3) In each fiscal year, \$250,000 of the assessments paid under s. 153.60.

11 (4) Repayment of any loans made under s. 153.076 (2).

12 **SECTION 26.** 46.27 (9) (a) of the statutes is amended to read:

13 46.27 (9) (a) The department may select up to 5 counties that volunteer to
14 participate in a pilot project under which they will receive certain funds allocated for
15 long-term care. The department shall allocate a level of funds to these counties
16 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gp), (r), or
17 (w) to nursing homes for providing care because of increased utilization of nursing
18 home services, as estimated by the department. In estimating these levels, the
19 department shall exclude any increased utilization of services provided by state
20 centers for the developmentally disabled. The department shall calculate these
21 amounts on a calendar year basis under sub. (10).

22 **SECTION 27.** 46.27 (10) (a) 1. of the statutes is amended to read:

23 46.27 (10) (a) 1. The department shall determine for each county participating
24 in the pilot project under sub. (9) a funding level of state medical assistance
25 expenditures to be received by the county. This level shall equal the amount that the

1 department determines would otherwise be paid under s. 20.435 (4) (b), (gp), (r), or
2 (w) because of increased utilization of nursing home services, as estimated by the
3 department.

4 **SECTION 28.** 46.275 (5) (a) of the statutes is amended to read:

5 46.275 (5) (a) Medical Assistance reimbursement for services a county, or the
6 department under sub. (3r), provides under this program is available from the
7 appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), and (w). If 2 or more
8 counties jointly contract to provide services under this program and the department
9 approves the contract, Medical Assistance reimbursement is also available for
10 services provided jointly by these counties.

11 **SECTION 29.** 46.275 (5) (c) of the statutes is amended to read:

12 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (gp), (o), (r), and (w)
13 to counties and to the department under sub. (3r) for services provided under this
14 section may not exceed the amount approved by the federal department of health and
15 human services. A county may use funds received under this section only to provide
16 services to persons who meet the requirements under sub. (4) and may not use
17 unexpended funds received under this section to serve other developmentally
18 disabled persons residing in the county.

19 **SECTION 30.** 46.278 (6) (d) of the statutes is amended to read:

20 46.278 (6) (d) If a county makes available nonfederal funds equal to the state
21 share of service costs under a waiver received under sub. (3), the department may,
22 from the appropriation under s. 20.435 (4) (o), provide reimbursement for services
23 that the county provides under this section to persons who are in addition to those
24 who may be served under this section with funds from the appropriation under s.
25 20.435 (4) (b), (r), or (w).

1 **SECTION 31.** 46.283 (5) of the statutes is amended to read:

2 46.283 (5) FUNDING. From the appropriation accounts under s. 20.435 (4) (b),
3 (bm), (gp), (pa), (r), and (w) and (7) (b), (bd), and (md), the department may contract
4 with organizations that meet standards under sub. (3) for performance of the duties
5 under sub. (4) and shall distribute funds for services provided by resource centers.

6 **SECTION 32.** 46.284 (5) (a) of the statutes is amended to read:

7 46.284 (5) (a) From the appropriation accounts under s. 20.435 (4) (b), (g), (gp),
8 (im), (o), (r), and (w) and (7) (b) and (bd), the department shall provide funding on a
9 capitated payment basis for the provision of services under this section.
10 Notwithstanding s. 46.036 (3) and (5m), a care management organization that is
11 under contract with the department may expend the funds, consistent with this
12 section, including providing payment, on a capitated basis, to providers of services
13 under the family care benefit.

14 **SECTION 33.** 49.45 (2) (a) 17. of the statutes is amended to read:

15 49.45 (2) (a) 17. Notify the governor, the joint committee on legislative
16 organization, the joint committee on finance, and appropriate standing committees,
17 as determined by the presiding officer of each house, if the appropriation accounts
18 under s. 20.435 (4) (b) ~~and~~, (gp), and (r) are insufficient to provide the state share of
19 medical assistance.

20 **SECTION 34.** 49.45 (5m) (am) of the statutes is amended to read:

21 49.45 (5m) (am) Notwithstanding sub. (3) (e), from the appropriation accounts
22 under s. 20.435 (4) (b), (gp), (o), (r), and (w), the department shall distribute not more
23 than \$2,256,000 in each fiscal year, to provide supplemental funds to rural hospitals
24 that, as determined by the department, have high utilization of inpatient services by
25 patients whose care is provided from governmental sources, and to provide

1 supplemental funds to critical access hospitals, except that the department may not
2 distribute funds to a rural hospital or to a critical access hospital to the extent that
3 the distribution would exceed any limitation under 42 USC 1396b (i) (3).

4 **SECTION 35.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

5 49.45 **(6m)** (ag) (intro.) Payment for care provided in a facility under this
6 subsection made under s. 20.435 (4) (b), (gp), (pa), (o), (r), (w), or (wm) shall, except
7 as provided in pars. (bg), (bm), and (br), be determined according to a prospective
8 payment system updated annually by the department. The payment system shall
9 implement standards that are necessary and proper for providing patient care and
10 that meet quality and safety standards established under subch. II of ch. 50 and ch.
11 150. The payment system shall reflect all of the following:

12 **SECTION 36.** 49.45 (6v) (b) of the statutes is amended to read:

13 49.45 **(6v)** (b) The department shall, each year, submit to the joint committee
14 on finance a report for the previous fiscal year, ~~except for the 1997–98 fiscal year,~~ that
15 provides information on the utilization of beds by recipients of medical assistance in
16 facilities and a discussion and detailed projection of the likely balances,
17 expenditures, encumbrances, and carry over of currently appropriated amounts in
18 the appropriation accounts under s. 20.435 (4) (b), (gp), ~~and (o), and (r).~~

19 **SECTION 37.** 49.45 (6x) (a) of the statutes is amended to read:

20 49.45 **(6x)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts
21 under s. 20.435 (4) (b), (gp), (o), (r), and (w), the department shall distribute not more
22 than \$4,748,000 in each fiscal year, to provide funds to an essential access city
23 hospital, except that the department may not allocate funds to an essential access
24 city hospital to the extent that the allocation would exceed any limitation under 42
25 USC 1396b (i) (3).

1 **SECTION 38.** 49.45 (6y) (a) of the statutes is amended to read:

2 49.45 **(6y)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts
3 under s. 20.435 (4) (b), (gp), (o), (r), and (w), the department shall distribute funding
4 in each fiscal year to provide supplemental payment to hospitals that enter into a
5 contract under s. 49.02 (2) to provide health care services funded by a relief block
6 grant, as determined by the department, for hospital services that are not in excess
7 of the hospitals' customary charges for the services, as limited under 42 USC 1396b
8 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of
9 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the
10 department may distribute funds to hospitals that have not entered into a contract
11 under s. 49.02 (2).

12 **SECTION 39.** 49.45 (6y) (am) of the statutes is amended to read:

13 49.45 **(6y)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts
14 under s. 20.435 (4) (b), (h), (gp), (o), (r), and (w), the department shall distribute
15 funding in each fiscal year to provide supplemental payments to hospitals that enter
16 into contracts under s. 49.02 (2) with a county having a population of 500,000 or more
17 to provide health care services funded by a relief block grant, as determined by the
18 department, for hospital services that are not in excess of the hospitals' customary
19 charges for the services, as limited under 42 USC 1396b (i) (3).

20 **SECTION 40.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

21 49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation
22 accounts under s. 20.435 (4) (b), (gp), (o), (r), and (w), the department shall distribute
23 funding in each fiscal year to supplement payment for services to hospitals that enter
24 into a contract under s. 49.02 (2) to provide health care services funded by a relief
25 block grant under this chapter, if the department determines that the hospitals serve

1 a disproportionate number of low-income patients with special needs. If no medical
2 relief block grant under this chapter is awarded or if the allocation of funds to such
3 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department
4 may distribute funds to hospitals that have not entered into a contract under s. 49.02
5 (2). The department may not distribute funds under this subsection to the extent
6 that the distribution would do any of the following:

7 **SECTION 41.** 49.45 (8) (b) of the statutes is amended to read:

8 49.45 (8) (b) Reimbursement under s. 20.435 (4) (b), (gp), (o), (r), and (w) for
9 home health services provided by a certified home health agency or independent
10 nurse shall be made at the home health agency's or nurse's usual and customary fee
11 per patient care visit, subject to a maximum allowable fee per patient care visit that
12 is established under par. (c).

13 **SECTION 42.** 49.45 (24m) (intro.) of the statutes is amended to read:

14 49.45 (24m) HOME HEALTH CARE AND PERSONAL CARE PILOT PROGRAM. (intro.)
15 From the appropriation accounts under s. 20.435 (4) (b), (gp), (o), (r), and (w), in order
16 to test the feasibility of instituting a system of reimbursement for providers of home
17 health care and personal care services for medical assistance recipients that is based
18 on competitive bidding, the department shall:

19 **SECTION 43.** 49.472 (6) (a) of the statutes is amended to read:

20 49.472 (6) (a) Notwithstanding sub. (4) (a) 3., from the appropriation account
21 under s. 20.435 (4) (b), (gp), (r), or (w), the department shall, on the part of an
22 individual who is eligible for medical assistance under sub. (3), pay premiums for or
23 purchase individual coverage offered by the individual's employer if the department
24 determines that paying the premiums for or purchasing the coverage will not be more
25 costly than providing medical assistance.

1 **SECTION 44.** 49.472 (6) (b) of the statutes is amended to read:

2 49.472 (6) (b) If federal financial participation is available, from the
3 appropriation account under s. 20.435 (4) (b), (gp), (r), or (w), the department may
4 pay ~~medicare~~ Medicare Part A and Part B premiums for individuals who are eligible
5 for ~~medicare~~ Medicare and for medical assistance under sub. (3).

6 **SECTION 45.** 49.473 (5) of the statutes is amended to read:

7 49.473 (5) The department shall audit and pay, from the appropriation
8 accounts under s. 20.435 (4) (b), (gp), and (o), and (r) allowable charges to a provider
9 who is certified under s. 49.45 (2) (a) 11. for ~~medical assistance~~ Medical Assistance
10 on behalf of a woman who meets the requirements under sub. (2) for all benefits and
11 services specified under s. 49.46 (2).

12 **SECTION 46.** 153.01 (2) of the statutes is amended to read:

13 153.01 (2) “Board” means the health care quality and patient safety board ~~on~~
14 ~~health care information.~~

15 **SECTION 47.** 153.05 (2m) (d) of the statutes is created to read:

16 153.05 (2m) (d) By April 1, annually, the entity under contract under par. (a)
17 shall report to the board concerning the fulfillment of the entity’s obligations under
18 the contract.

19 **SECTION 48.** 153.07 (5) of the statutes is created to read:

20 153.07 (5) By January 1, 2006, and at least annually thereafter, the board shall
21 report to the governor on the plans, activities, accomplishments, and
22 recommendations of the board.

23 **SECTION 49.** 153.07 (6) of the statutes is created to read:

1 153.07 (6) The board shall annually assess the extent to which automated
2 information and decision support systems are used by health care providers in this
3 state.

4 **SECTION 50.** 153.07 (7) of the statutes is created to read:

5 153.07 (7) The board shall annually assess options and develop a plan and
6 specific strategies to achieve automation of all health care systems in the state by
7 2010 or as soon as practicable.

8 **SECTION 51.** 153.07 (8) of the statutes is created to read:

9 153.07 (8) The board shall administer the health care quality improvement
10 fund.

11 **SECTION 52.** 153.07 (9) of the statutes is created to read:

12 153.07 (9) The board may accept gifts, grants, bequests, and devises to be used
13 in the execution of its functions.

14 **SECTION 53.** 153.076 of the statutes is created to read:

15 **153.076 Grants and loans.** (1) In this section:

16 (a) “Clinic” means a place, other than a residence, that is used primarily for the
17 provision of nursing, medical, podiatric, dental, chiropractic, or optometric care and
18 treatment.

19 (b) “Health maintenance organization” has the meaning given in s. 609.01 (2).

20 (c) “Hospital” has the meaning given in s. 50.33 (2).

21 (d) “Physician” has the meaning given in s. 448.01 (5).

22 (2) (a) From the appropriation under s. 20.505 (4) (qb), the board may make
23 grants or loans, under procedures and criteria determined by the board, to clinics,
24 health maintenance organizations, or other health care systems, hospitals, or
25 physicians for any of the following projects:

1 1. Installation of computer-assisted physician order entry, electronic medical
2 records, or other information system infrastructure, including clinical decision
3 support systems, to improve the quality, safety, and efficiency of patient care.

4 2. Development of health information exchanges and interoperable systems to
5 facilitate the reporting of quality, safety, and efficiency information for purposes of
6 health care system improvement or related purposes by informing consumers and
7 health care purchasers.

8 3. Demonstration, through pilot projects, of rapid cycle improvement in quality,
9 safety, and efficiency of care.

10 4. Facilitation of group purchases of medical technology systems by assisting
11 health care providers in forming collaborative agreements for technology.

12 (b) Repayment of any loans made under par. (a) shall be deposited into the
13 health care quality improvement fund.

14 **SECTION 54.** 153.76 of the statutes is amended to read:

15 **153.76 Rule-making by the independent review board.**

16 Notwithstanding s. 15.01 (1r), the independent review board may promulgate only
17 those rules that are first reviewed and approved by the health care quality and
18 patient safety board ~~on health care information~~.

19 **SECTION 55.** 231.03 (intro.) of the statutes is amended to read:

20 **231.03 Powers.** (intro.) The authority has all the powers necessary or
21 convenient to carry out and effectuate the purposes and provisions of this chapter.
22 In addition to all other powers granted by this chapter, subject to s. 231.035 the
23 authority may:

24 **SECTION 56.** 231.035 of the statutes is created to read:

231.035 Health care quality and patient safety board approval.

Beginning on the effective date of this section [revisor inserts date], the authority may not provide any financial assistance to a health facility, hospital, or participating health institution unless the health facility, hospital, or participating health institution demonstrates to the health care quality and patient safety board that it is making efforts to improve medical technology.

SECTION 57. 655.27 (6) of the statutes is amended to read:

655.27 (6) PURPOSE AND INTEGRITY OF FUND. The fund is established to ensure the availability of health care providers in this state, to curb the rising costs of health care by financing part of the liability incurred by health care providers as a result of medical malpractice claims ~~and~~, to ensure that proper claims are satisfied, and to enable the deployment of health care information systems technology for health care quality, safety, and efficiency, as specified in s. 153.076 (2). The fund, including any net worth of the fund, is held in irrevocable trust for the sole benefit of health care providers participating in the fund and proper claimants and for the deployment of health care information systems technology for health care quality, safety, and efficiency by the health care quality and patient safety board. Moneys in the fund may not be used for any other purpose of the state.

SECTION 9101. Nonstatutory provisions; administration.

(1) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; INITIAL APPOINTMENTS.

Notwithstanding the length of terms specified in section 15.105 (13) (b) of the statutes, as created by this act, the initial members of the health care quality and patient safety board shall be appointed by the first day of the 4th month beginning after the effective date of this subsection for the following terms:

1 (a) The representative of hospitals, the employer purchaser of health care, and
2 the representative of the insurance industry, for terms expiring on May 1, 2009.

3 (b) The physician, the representative of health maintenance organizations, and
4 the member who represents the public interest, for terms expiring on May 1, 2011.

5 (2) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; STUDY OF PHYSICIAN
6 INFORMATION DATABASE. By March 1, 2006, the health care quality and patient safety
7 board shall study and make recommendations to the governor concerning the
8 feasibility of creating a centralized physician information database, including
9 through a joint public and private effort.

10 (3) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; STUDY OF RULES. By October
11 1, 2006, the health care quality and patient safety board shall study and make
12 recommendations to the governor concerning the rules required and authorized to
13 be promulgated by the department of health and family services under section
14 153.75 of the statutes.

15 (4) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; PLAN AND STRATEGIES. By
16 January 1, 2007, develop a plan and specific strategies, including awarding grants
17 or making loans under section 153.076 (2) of the statutes, as created by this act, to
18 deploy health care information systems technology for health care quality, safety,
19 and efficiency, within a reasonable time and using reasonable financial investments.
20 The plan shall consider the extent to which an integrated or interoperable system or
21 underlying technology may be most cost effective, including by assessing benefits of
22 the system for supporting rapid deployment for supporting medical care
23 practitioners, promoting accurate and appropriate shared information about
24 individual patients among health care providers, standardizing performance
25 indicators among health care provider organizations to improve organization

1 performance, and public reporting of quality, safety, and efficiency data for consumer
2 and health care purchaser decision making.

3 **SECTION 9121. Nonstatutory provisions; health and family services.**

4 (1) TRANSFER OF FUNCTIONS OF THE BOARD ON HEALTH CARE INFORMATION.

5 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
6 liabilities of the department of health and family services primarily related to the
7 functions of the board on health care information, as determined by the secretary of
8 administration, shall become the assets and liabilities of the department of
9 administration.

10 (b) *Position and employee transfers.* All incumbent employees holding
11 positions in the department of health and family services performing duties
12 primarily related to the functions of the board on health care information, as
13 determined by the secretary of administration, are transferred on the effective date
14 of this paragraph to the department of administration.

15 (c) *Employee status.* Employees transferred under paragraph (b) have all the
16 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
17 statutes in the department of administration that they enjoyed in the department
18 of health and family services immediately before the transfer. Notwithstanding
19 section 230.28 (4) of the statutes, no employee so transferred who has attained
20 permanent status in class is required to serve a probationary period.

21 (d) *Tangible personal property.* On the effective date of this paragraph, all
22 tangible personal property, including records, of the department of health and family
23 services that is primarily related to the functions of the board on health care
24 information, as determined by the secretary of administration, is transferred to the
25 department of administration.

1 (e) *Contracts.* 1. All contracts entered into by the board on health care
2 information in effect on the effective date of this subdivision remain in effect and are
3 transferred to the health care quality and patient safety board. The health care
4 quality and patient safety board shall carry out any obligations under such a contract
5 until the contract is modified or rescinded by the health care quality and patient
6 safety board to the extent allowed under the contract.

7 2. All contracts entered into by the department of health and family services
8 in effect on the effective date of this subdivision that are primarily related to the
9 functions of the board on health care information, as determined by the secretary of
10 administration, remain in effect and are transferred to the department of
11 administration. The department of administration shall carry out any obligations
12 under such a contract until the contract is modified or rescinded by the department
13 of administration to the extent allowed under the contract.

14 (f) *Rules and orders.* 1. All rules promulgated by the board on health care
15 information that are in effect on the effective date of this subdivision remain in effect
16 until their specified expiration date or until amended or repealed by the health care
17 quality and patient safety board.

18 2. All rules promulgated by the department of health and family services that
19 are primarily related to the functions of the board on health care information, as
20 determined by the secretary of administration, that are in effect on the effective date
21 of this subdivision remain in effect until their specified expiration date or until
22 amended or repealed by the department of administration. All orders issued by the
23 department of health and family services that are primarily related to the functions
24 of the board on health care information, as determined by the secretary of
25 administration, that are in effect on the effective date of this subdivision remain in

1 effect until their specified expiration date or until amended or repealed by the
2 department of administration.

3 (g) *Pending matters.* Any matter pending with the board on health care
4 information on the effective date of this paragraph is transferred to the health care
5 quality and patient safety board and all materials submitted to or actions taken by
6 the board on health care information with respect to the pending matter are
7 considered as having been submitted to or taken by the health care quality and
8 patient safety board.

9 (2) HEALTH CARE INFORMATION; RULE MAKING. Notwithstanding the requirement
10 and authorization for the department of health and family services to promulgate
11 rules under section 153.75 of the statutes, before July 1, 2007, the department of
12 health and family services may promulgate under section 153.75 of the statutes only
13 rules that are first approved by the health care quality and patient safety board.

14 (3) PAYMENTS FROM TRANSFER TO HEALTH CARE QUALITY IMPROVEMENT FUND.

15 (a) From the appropriation under section 20.435 (4) (rm) of the statutes, as
16 created by this act, with moneys transferred to the health care quality improvement
17 fund under SECTION 9225 (1) of this act, the department of health and family services
18 shall pay for the following purposes the following amounts:

19 1. For direct graduate medical education, \$5,200,000 in fiscal year 2005–06 and
20 \$5,200,000 in fiscal year 2006–07.

21 2. For a rural hospital adjustment, \$900,000 in fiscal year 2005–06 and
22 \$900,000 in fiscal year 2006–07.

23 3. For a major managed care supplement, \$108,000 in fiscal year 2005–06 and
24 \$108,000 in fiscal year 2006–07.

4. For essential access city hospital care, \$2,635,400 in fiscal year 2005–06 and \$2,646,000 in fiscal year 2006–07.

(b) No moneys from the appropriation under section 20.435 (4) (b) of the statutes may be used for the payments under paragraph (a).

SECTION 9225. Appropriation changes; insurance.

(1) HEALTH CARE QUALITY IMPROVEMENT FUND. There is transferred from the injured patients and families compensation fund to the health care quality improvement fund \$133,843,400 in fiscal year 2005–06 and \$8,764,000 in fiscal year 2006–07.

SECTION 9401. Effective dates; administration.

(1) CREATION OF HEALTH CARE QUALITY AND PATIENT SAFETY BOARD. The treatment of sections 15.07 (2) (n), 15.105 (13), 153.05 (2m) (d), 153.07 (5) to (9), 153.076, 231.03, and 231.035 of the statutes and SECTION 9101 (1), (2), (3), and (4) of this act take effect on October 1, 2005.

SECTION 9421. Effective dates; health and family services.

(1) **ELIMINATION OF BOARD ON HEALTH CARE INFORMATION.** The treatment of sections 15.07 (2) (b) and (3) (bm) 1., 15.195 (6), 16.03 (3), 20.435 (4) (hg), 153.01 (2), and 153.76 of the statutes and SECTION 9121 (1) and (2) of this act take effect on October 1, 2005.

(END)

D-Note

Q. This version restores some current law text in
s. 20.505(1)(sd) $\hat{=}$ otherwise the draft remains
unchanged.

RAC

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1649/3dn
RAC:wlj:pg

January 25, 2005

This version restores some current law text in s. 20.505 (1) (sd); otherwise, the draft remains unchanged.

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
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Kennedy, Debora

From: Blaine, Robert
Sent: Tuesday, January 25, 2005 5:30 PM
To: Kennedy, Debora; Kahler, Pam; Champagne, Rick
Cc: Johnston, James; Hoadley, Frank
Subject: LRB 1649

We have some additional changes to request to this draft. These are in addition to the suggestions from bond counsel, forwarded by Frank Hoadley, which we would like to incorporate.

✓ Page 2 (analysis) -- the WHEFA paragraph. The last sentence suggests that the hospital cannot get WHEFA assistance unless the board certifies that WHEFA, not the facility, is the one making efforts to improve medical technology. It's the facility/provider that should be held accountable for the technology improvements.

✓ Page 3 (analysis) and Section 9225: the number for the Patients Compensation Transfer needs to be changed in fiscal year 2006-07. The revised figure is \$8,854,000.

✓ Page 6, lines 9-11. Frank recommended keeping the phrase "excluding any appropriation obligations that have been defeased under a cash optimization program administered by the building commission".

Thanks for your help.

Robert Blaine

Wisconsin State Budget Office
Department of Administration
608/267-7980
608/267-0372 (fax)
robert.blaine@doa.state.wi.us

Kennedy, Debora

From: Blaine, Robert
Sent: Wednesday, January 26, 2005 7:56 AM
To: Kahler, Pam; Kennedy, Debora
Subject: FW: EACH

- 1649

- 0941

I think Jim is right on this. Could we make this change as well?

-----Original Message-----

From: Johnston, James
Sent: Tuesday, January 25, 2005 7:57 PM
To: Blaine, Robert
Subject: EACH

Robert, How does the language in section 37 of the bill relating to the EACH payment under s.49.45(6x) interact with the nonstat. provision in section 9121 (3) for EACH. I think that s.49.45 (6x) has to include the ability to fund this activity from s.20.435 (4)(rm).

From Robert: This means that s.49.45 (6x) should cross reference only 20.435 (4)(rm) and (o).

Also: 49.45 (5m)(am) should reference only 20.435 (4)(rm) and (o).

DOA:.....Johnston, BB0423 - Health Care Quality and Patient Safety Board
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

HEALTH

Under current law, DHFS must collect, analyze, and disseminate health care information from health care providers other than hospitals and ambulatory surgery centers; in addition, DOA must contract with an entity to collect, analyze, and disseminate health care information from hospitals and ambulatory surgery centers. Both DHFS and the entity under contract with DOA must, from the data collected, prepare certain reports that do not permit the identification of a patient, an employer, or a health care provider. The Board on Health Care Information, attached to DHFS, must advise DHFS on the collection, analysis, and dissemination of health care information; provide oversight on the reports issued by DHFS and the entity under contract with DOA; and develop overall strategy and direction for health care information collection activities. Activities of the Board on Health Care Information and DHFS are funded from fees for performance of certain work under contract and from assessments that are annually levied on health care providers other than hospitals and ambulatory surgery centers.

This bill eliminates the Board on Health Care Information as of October 1, 2005, and replaces it on that date with a nine-member Health Care Quality and Patient Safety Board (HCQPSB), attached to DOA, which assumes the duties and powers of the Board on Health Care Information. In addition, the HCQPSB must do all of the following:

1. By March 1, 2006, study and make recommendations concerning the feasibility of creating a centralized physician information database.
2. By October 1, 2006, study and make recommendations concerning rules required and authorized to be promulgated by DHFS concerning the collection, analysis, and dissemination of health care information.
3. By January 1, 2007, develop a plan and specific strategies to deploy health care information systems technology for health care quality, safety, and efficiency.
4. Annually report on its plans, activities, accomplishments, and recommendations.
5. Annually assess the extent to which automated information and decision support systems are used by health care providers in Wisconsin.
6. Annually assess options and develop a plan to achieve automation of all health care systems in Wisconsin by 2010.
7. Make grants or loans to clinics, health maintenance organizations, hospitals, or physicians for various projects.

The bill creates the health care quality improvement fund, a segregated fund that consists of moneys transferred from the injured patients and families compensation fund, the net proceeds of certain revenue obligations, a portion of the annual assessments levied on health care providers other than hospitals and ambulatory surgery centers, and the repayment of any loans made by the HCQPSB. Funds of the health care quality improvement fund are, under the bill, appropriated for general program operations of the HCQPSB and for grants or loans made by the HCQPSB.

Under the bill, the entity under contract with DOA must annually report to the HCQPSB concerning the fulfillment of the entity's obligations under the contract. Also, before July 1, 2007, DHFS may promulgate only those rules relating to the collection, analysis, and dissemination of health care information that are first approved by the HCQPSB.

INSURANCE

Under current law, certain health care providers are required to carry health care liability insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim against a health care provider subject to the health care liability insurance requirements that exceeds the policy limits of the health care provider's health care liability insurance is paid by the injured patients and families compensation fund. Moneys for the fund come from annual assessments paid by the health care providers who are subject to the health care liability insurance requirements. Current law provides that the fund is established to curb the rising costs of health care by financing part of the liability incurred by health care providers as a result of medical malpractice claims and that the fund is held in irrevocable trust for the sole benefit of providers and proper claimants and may not be used for any other purpose of the state.

This bill transfers \$25,000,000 from the injured patients and families compensation fund to the health care quality improvement fund, as created in the bill. The bill also adds to the stated purpose of the injured patients and families

compensation fund the purpose of enabling the deployment of health care information systems technology for health care quality, safety, and efficiency, by the Health Care Quality and Patient Safety Board, as created in the bill.

STATE GOVERNMENT

STATE FINANCE

This bill creates a program to issue revenue obligations to fund the payment of grants to health care entities for using technology to reduce medical errors and improve the quality of health care. Under the bill, funds for the program may not exceed \$25,000,000. The bill provides that the principal and interest costs on the revenue obligations are to be paid from excise taxes that are currently imposed on the sale of liquor, fermented malt beverages, cigarettes, and tobacco products. These taxes are to be deposited into the excise tax fund, a fund under current law that can be used for any revenue obligations issued to pay the state's unfunded prior service liability under the Wisconsin Retirement System (WRS). To dedicate moneys in the excise tax fund for the payment of these grants, the bill eliminates the state's authority to issue revenue obligations secured by tax revenues derived from the sale of liquor, fermented malt beverages, cigarettes, and tobacco products for the payment of the state's unfunded prior liability under the WRS. ~~Obligations for this purpose have already been issued under other current law authority.~~

[merely a style suggestion]

This prior liability has already been funded through

(L.C.)

OTHER STATE GOVERNMENT

Under current law, the Wisconsin Health and Educational Facilities Authority (Authority) provides financial assistance to private and public health facilities and hospitals. This bill prohibits the Authority from providing such financial assistance unless the health facility or hospital demonstrates to the Health Care Quality and Patient Safety Board that it is making efforts to improve medical technology.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 15.07 (2) (b) of the statutes is repealed.
- 2 **SECTION 2.** 15.07 (2) (n) of the statutes is created to read:
- 3 15.07 (2) (n) The chairperson of the health care quality and patient safety board
- 4 shall be designated biennially by the governor.
- 5 **SECTION 3.** 15.07 (3) (bm) 1. of the statutes is repealed.
- 6 **SECTION 4.** 15.105 (13) of the statutes is created to read:

SECTION 4

1 15.105 **(13)** HEALTH CARE QUALITY AND PATIENT SAFETY BOARD. (a) *Creation;*
2 *membership.* There is created a health care quality and patient safety board,
3 attached to the department of administration under s. 15.03, consisting of the
4 following members:

5 1. The secretary of health and family services, the secretary of employee trust
6 funds, and the secretary of administration or their designees.

7 2. One physician, as defined in s. 448.01 (5).

8 3. One representative of hospitals.

9 4. One employer purchaser of health care.

10 5. One representative of the insurance industry.

11 6. One representative of health maintenance organizations, as defined in s.
12 609.01 (2).

13 7. One member who shall represent the public interest.

14 (b) *Terms.* The board members specified in par. (a) 2. to 7. shall be appointed
15 for 4-year terms.

16 **SECTION 5.** 15.195 (6) of the statutes is repealed.

17 **SECTION 6.** 16.03 (3) of the statutes is amended to read:

18 16.03 **(3)** REPORT. The interagency coordinating council shall report at least
19 twice annually to the health care quality and patient safety board ~~on health care~~
20 ~~information~~ in the department of ~~health and family services~~ administration,
21 concerning the council's activities under this section.

22 **SECTION 7.** 16.526 (title) of the statutes is repealed and recreated to read:

23 **16.526** (title) **Revenue obligation program to fund the payment of**
24 **grants to certain health care entities.**

25 **SECTION 8.** 16.526 (1) of the statutes is amended to read:

1 16.526 (1) For purposes of subch. II of ch. 18, the purposes of obtaining proceeds
 2 to pay the state's anticipated unfunded prior service liability under s. 40.05 (2) (b)
 3 and of paying the state's unfunded prior service liability under s. 40.05 (2) (b) and the
 4 state's unfunded liability under s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40
 5 fund the payment of grants to health care entities for using technology to reduce
medical errors and improve the quality of health care under s. 153.076 (2) (a) is a
 special fund program [and the excise tax fund is a special fund] The legislature finds
 and determines that the excise tax fund is a segregated fund consisting of fees,
 penalties, or excise taxes and that the special program to pay the state's unfunded
 prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under
 s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40 fund the payment of grants to
health care entities for using technology to reduce medical errors and improve the
quality of health care under s. 153.076 (2) (a) from the net proceeds of revenue
 obligations issued under this section is appropriate and will serve a public purpose.

15 SECTION 9. 16.526 (2) of the statutes is amended to read:

16 16.526 (2) The net proceeds of revenue obligations issued under subch. II of ch.
 17 18, as authorized under this section, shall be deposited in a into the health care
quality improvement fund in the state treasury, or an account maintained by a
trustee, created under s. 18.57 (1). The moneys shall be applied for ancillary
 payments and for the provision of reserves, as determined by the building
 commission, and for the payment of part or all of the state's unfunded prior service
 liability under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b),
 (bc), and (bw) and subch. IX of ch. 40, as determined by the department, grants to
health care entities for using technology to reduce medical errors and improve the
quality of health care under s. 153.076 (2) (a), and any remainder shall be paid into

Note that
 §25.59
 also provides
 that, for
 purposes of
 subch. II,
 excise tax
 fund is a
 special
 fund

state

Note:
 change
 to conform
 to
 §18.52(8)

It would
 be
 helpful
 to expand
 on
 declaration
 of public
 purpose

Step -
 this is
 what
 §18.57
 requires
 ↓
 change
 in
 funds
 now
 affects
 other sections

[excise tax revenue]

1 a retirement liability ~~health entity grant~~ obligation redemption fund created under
2 18.562 (3).

Note: It is generally better to
name bond based on revenue
source (not how
money is spent)

Note:
nearly a style
suggestion

3 SECTION 10. 16.526 (5) (b) of the statutes is amended to read:

4 16.526 (5) (b) Except as otherwise provided in this paragraph, the
5 secretary shall determine the ~~from revenue obligations issued under this section~~
6 requirements for funds obtained to pay the state's anticipated unfunded prior service

7 liability under s. 40.05 (2) (b) and funds used for the payment of the state's unfunded
8 prior service liability under s. 40.05 (2) (b) and the state's unfunded liability under
9 s. 40.05 (4) (b), (bc), and (bw) and subch. IX of ch. 40, grants to health care entities
10 for using technology to reduce medical errors and improve the quality of health care
11 under s. 153.076 (2) (a) that are to be paid from revenue obligations issued under this

12 section, shall be determined by the secretary. The sum amount of revenue
13 obligations issued under this section and appropriation obligations issued under s.
14 16.527, if any, excluding any appropriation obligations that have been defeated
15 under a cash optimization program administered by the building commission and
16 any appropriation obligations issued pursuant to s. 16.527 (3) (b) 3., shall not exceed
17 \$1,500,000,000 \$25,000,000.

expenditures
to be
paid from

Note:
\$18.53(3)
uses this
language;
revenue obligs
may be
issued in excess
of that
amount for
ancillary
payments

revenue ← Change needed if
bracketed language
is restored

17 SECTION 11. 16.529 (2) of the statutes is amended to read:

18 16.529 (2) LAPSES AND TRANSFERS REQUIRED. If obligations are issued under s.
19 16.526 or 16.527, or both, any executive budget bill prepared under s. 16.47 (1) shall
20 require the secretary during the fiscal biennium to which the executive budget bill
21 relates to lapse to the general fund from each appropriation of program revenues,
22 program revenues-service, and federal revenues and to lapse to the applicable fund
23 from each appropriation of segregated fund revenues, segregated fund
24 revenues-service, and segregated federal revenues and subsequently transfer to the
25 general fund an amount equal to that portion of the total amount of principal and

Delete reference to § 16.526 that
appears in § 16.527 (3) (b) 2. (check for other references to 16.526)

Note: § 16.526 (5) provides for moral obligation — is that intended
to stay?

Amend the last sentence of § 18.55(5) to delete "shorter" and insert "different" and "is insufficient" before "to replenish" in § 18.61(5),

1 interest to be paid on the obligations during the succeeding fiscal biennium that is
2 allocable to the appropriation, as determined under sub. (3). The secretary shall
3 ensure that each state agency includes in the program and financial information
4 forwarded under s. 16.42 (1) an itemization of each amount that is required to be
5 lapsed, or lapsed and transferred, under this subsection.

6 SECTION 12. 16.529 (3) (a) of the statutes is amended to read:

7 16.529 (3) (a) The secretary shall first compute the total amount that would
8 have been expended from all appropriations, had obligations under s. 16.526 or
9 16.527 not been issued, under s. 40.05 (2) (b) and (4) (b), (bc), and (bw) and subch. IX
10 of ch. 40 during the fiscal biennium during which the obligations are issued.

11 SECTION 13. 16.529 (3) (c) of the statutes is amended to read:

12 16.529 (3) (c) For each appropriation identified under par. (b), the secretary
13 shall then apply the percentage calculated under par. (b) to the total amount of
14 principal and interest to be paid during the succeeding fiscal biennium on obligations
15 issued under ~~ss. 16.526 and s.~~ 16.527. This amount is the portion of the total amount
16 of principal and interest paid on the obligations during that fiscal biennium that is
17 allocable to each appropriation.

18 SECTION 14. 20.435 (4) (hg) of the statutes is amended to read:

19 20.435 (4) (hg) *General program operations; health care information.* The
20 amounts in the schedule to fund the activities of the department of health and family
21 services ~~and the board on health care information~~ under ch. 153. The contract fees
22 paid under s. 153.05 (6m) and assessments paid under s. 153.60, less \$250,000 in
23 assessments paid in each fiscal year. shall be credited to this appropriation account.

24 SECTION 15. 20.505 (1) (sd) of the statutes is amended to read:

Add provision authorizing Secretary of Admin. to formulate covenants relating to program and revenue obligations.

Amend ch 18 subch II to address priority of liens. See § 409.109(3).

1 20.505 (1) (sd) *Revenue obligation proceeds to pay the state's unfunded liability*
 2 *under the Wisconsin Retirement System fund the payment of grants to certain health*
 3 *care entities.* As From the health care quality improvement fund, as a continuing
 4 appropriation, all proceeds from revenue obligations that are issued under subch. II
 5 of ch. 18, as authorized under s. 16.526, and deposited in a fund in the state treasury,
 6 or in an account maintained by a trustee, created under s. 18.57 (1), as authorized
 7 under s. 16.526 (2), to pay part or all of the state's unfunded prior service liability
 8 under s. 40.05 (2) (b) and the state's unfunded liability under s. 40.05 (4) (b), (bc), and
 9 (bw) and subch. IX of ch. 40, as determined by the department of administration to
 10 fund the payment of grants to health care entities for using technology to reduce
 11 medical errors and improve the quality of health care under s. 153.076 (2) (a), and
 12 to provide for reserves and to make ancillary payments, as determined by the
 13 building commission, and the remainder to be transferred to a retirement liability
 14 [health entity grant] obligation ^[Excise tax revenue] redemption fund created under s. 18.562 (3).
 15 Estimated disbursements under this paragraph shall not be included in the schedule
 16 under s. 20.005.

*****NOTE: This SECTION involves a change in an appropriation that must be
 reflected in the revised schedule in s. 20.005, stats.

17 **SECTION 16.** 20.505 (1) (sh) of the statutes is amended to read: ^[Excise tax revenue]
 18 20.505 (1) (sh) *Excise tax fund — revenue obligation repayment.* From the
 19 excise tax fund, a sum sufficient to pay a retirement liability [health entity grant]
 20 obligation redemption fund created under s. 18.562 (3) the amount needed to pay the
 21 principal of and premium, if any, and interest on revenue obligations issued under
 22 subch. II of ch. 18, as authorized under s. 16.526, and to make ancillary payments
 23 authorized by the authorizing resolution for the revenue obligations. Estimated

1 disbursements under this paragraph shall not be included in the schedule under s.
2 20.005.

3 **SECTION 17.** 20.505 (1) (sm) of the statutes is amended to read:

4 20.505 (1) (sm) *Excise tax fund — provision of reserves and payment of ancillary*
5 *costs relating to revenue obligations.* From the excise tax fund, a sum sufficient to
6 provide for reserves and for ancillary payments relating to revenue obligations
7 issued under subch. II of ch. 18, as authorized under s. 16.526 and the resolution
8 authorizing the revenue obligations. Estimated disbursements under this
9 paragraph shall not be included in the schedule under s. 20.005.

Why
is
this
provided?

10 **SECTION 18.** 20.505 (1) (sp) of the statutes is amended to read:

11 20.505 (1) (sp) *Revenue obligation debt service.* From ~~a retirement liability~~
12 health entity grant obligation ~~redemption fund~~ *[an excise tax revenue]* created under s. 18.562 (3), all
13 moneys received by the fund for the payment of principal of and premium, if any, and
14 interest on revenue obligations issued under subch. II of ch. 18, as authorized under
15 s. 16.526, and for ancillary payments authorized by the authorizing resolution for the
16 revenue obligations. All moneys received by the fund are irrevocably appropriated
17 in accordance with subch. II of ch. 18 and further established in resolutions
18 authorizing the issuance of the revenue obligations under s. 16.526 and setting forth
19 the distribution of funds to be received thereafter. Estimated disbursements under
20 this paragraph shall not be included in the schedule under s. 20.005.

21 **SECTION 19.** 20.505 (4) (i) of the statutes is created to read:

22 20.505 (4) (i) *Health care quality and patient safety board; gifts and grants.* All
23 money received from gifts, grants, bequests, and devises to the health care quality
24 and patient safety board, for the purposes for which made.

SECTION 19

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 20. 20.505 (4) (q) of the statutes is created to read:

20.505 (4) (q) *Health care quality and patient safety board; general program operations.* Biennially, from the health care quality improvement fund, the amounts in the schedule for general program operations of the health care quality and patient safety board.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 21. 20.505 (4) (qb) of the statutes is created to read:

20.505 (4) (qb) *Health care quality and patient safety board; grants or loans*
As a continuing appropriation, from the health care quality improvement fund, the amounts in the schedule for grants or loans under s. 153.076.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 22. 25.17 (1) (gd) of the statutes is created to read:

25.17 (1) (gd) *Health care quality improvement fund (s. 25.775);*

SECTION 23. 25.775 of the statutes is created to read:

25.775 Health care quality improvement fund. There is created a separate nonlapsible trust fund designated as the health care quality improvement fund, consisting of all of the following:

- (1) All moneys transferred under 2005 Wisconsin Act (this act) [section 9225]
- (1).
- (2) The net proceeds of revenue obligations issued under subch. II of ch. 18, as authorized under s. 16.526, less any remainder paid into a [health entity grant] obligation redemption fund created under s. 18.562 (3).
- (3) In each fiscal year, \$250,000 of the assessments paid under s. 153.60.

Note: § 25.59 is needed - assume it remains unchanged

affected
by change
in fund
flow

To what does this refer?

Note -
proceeds
of
revenue
obligations
need to go
into §18.57
(1) fund

Note: § 25.17 (1) (es) is needed - assume it remains unchanged.

1 **(4)** Repayment of any loans made under s. 153.076 (2).

2 **SECTION 24.** 153.01 (2) of the statutes is amended to read:

3 153.01 **(2)** "Board" means the health care quality and patient safety board on
4 health care information.

5 **SECTION 25.** 153.05 (2m) (d) of the statutes is created to read:

6 153.05 **(2m)** (d) By April 1, annually, the entity under contract under par. (a)
7 shall report to the board concerning the fulfillment of the entity's obligations under
8 the contract.

9 **SECTION 26.** 153.07 (5) of the statutes is created to read:

10 153.07 **(5)** By January 1, 2006, and at least annually thereafter, the board shall
11 report to the governor on the plans, activities, accomplishments, and
12 recommendations of the board.

13 **SECTION 27.** 153.07 (6) of the statutes is created to read:

14 153.07 **(6)** The board shall annually assess the extent to which automated
15 information and decision support systems are used by health care providers in this
16 state.

17 **SECTION 28.** 153.07 (7) of the statutes is created to read:

18 153.07 **(7)** The board shall annually assess options and develop a plan and
19 specific strategies to achieve automation of all health care systems in the state by
20 2010 or as soon as practicable.

21 **SECTION 29.** 153.07 (8) of the statutes is created to read:

22 153.07 **(8)** The board shall administer the health care quality improvement
23 fund.

24 **SECTION 30.** 153.07 (9) of the statutes is created to read:

1 153.07 (9) The board may accept gifts, grants, bequests, and devises to be used
2 in the execution of its functions.

3 SECTION 31. 153.076 of the statutes is created to read:

4 153.076 Grants and loans. (1) In this section:

5 (a) "Clinic" means a place, other than a residence, that is used primarily for the
6 provision of nursing, medical, podiatric, dental, chiropractic, or optometric care and
7 treatment.

8 (b) "Health maintenance organization" has the meaning given in s. 609.01 (2).

9 (c) "Hospital" has the meaning given in s. 50.33 (2).

10 (d) "Physician" has the meaning given in s. 448.01 (5).

11 (2) (a) From the appropriation under s. 20.505 (4) (qb), the board may make
12 grants or loans, under procedures and criteria determined by the board, to clinics, i.e.,
13 health maintenance organizations, or other health care systems, hospitals, or

14 physicians for any of the following projects:

15 1. Installation of computer-assisted physician order entry, electronic medical
16 records, or other information system infrastructure, including clinical decision
17 support systems, to improve the quality, safety, and efficiency of patient care.

18 2. Development of health information exchanges and interoperable systems to
19 facilitate the reporting of quality, safety, and efficiency information for purposes of
20 health care system improvement or related purposes by informing consumers and
21 health care purchasers.

22 3. Demonstration, through pilot projects, of rapid cycle improvement in quality,
23 safety, and efficiency of care.

24 4. Facilitation of group purchases of medical technology systems by assisting
25 health care providers in forming collaborative agreements for technology.

Note: This section could be place for
amplifying public purpose declaration.

Why doesn't this
section use same
terminology as

\$16.526,

grants to
health care entities

for using technology
to reduce medical errors and
improve
quality of
health care "2

affected
by change
in funding
since

1 (b) Repayment of any loans made under par. (a) shall be deposited into the
2 health care quality improvement fund.

3 **SECTION 32.** 153.76 of the statutes is amended to read:

4 **153.76 Rule-making by the independent review board.**

5 Notwithstanding s. 15.01 (1r), the independent review board may promulgate only
6 those rules that are first reviewed and approved by the health care quality and
7 patient safety board on health care information.

8 **SECTION 33.** 231.03 (intro.) of the statutes is amended to read:

9 **231.03 Powers.** (intro.) The authority has all the powers necessary or
10 convenient to carry out and effectuate the purposes and provisions of this chapter.
11 In addition to all other powers granted by this chapter, subject to s. 231.035 the
12 authority may:

13 **SECTION 34.** 231.035 of the statutes is created to read:

14 **231.035 Health care quality and patient safety board approval.**

15 Beginning on the effective date of this section [revisor inserts date], the authority
16 may not provide any financial assistance to a health facility, hospital, or
17 participating health institution unless the health facility, hospital, or participating
18 health institution demonstrates to the health care quality and patient safety board
19 that it is making efforts to improve medical technology.

20 **SECTION 35.** 655.27 (6) of the statutes is amended to read:

21 **655.27 (6) PURPOSE AND INTEGRITY OF FUND.** The fund is established to curb the
22 rising costs of health care by financing part of the liability incurred by health care
23 providers as a result of medical malpractice claims and, to ensure that proper claims
24 are satisfied, and to enable the deployment of health care information systems
25 technology for health care quality, safety, and efficiency, as specified in s. 153.076 (2).

SECTION 35

1 The fund, including any net worth of the fund, is held in irrevocable trust for the sole
2 benefit of health care providers participating in the fund and proper claimants and
3 for the deployment of health care information systems technology for health care
4 quality, safety, and efficiency by the health care quality and patient safety board.

Q - does amendment
conflict
with
irrevocable
nature?

5 Moneys in the fund may not be used for any other purpose of the state.

6 **SECTION 9101. Nonstatutory provisions; administration.**

7 (1) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; INITIAL APPOINTMENTS.

8 Notwithstanding the length of terms specified in section 15.105 (13) (b) of the
9 statutes, as created by this act, the initial members of the health care quality and
10 patient safety board shall be appointed by the first day of the 4th month beginning
11 after the effective date of this subsection for the following terms:

12 (a) The representative of hospitals, the employer purchaser of health care, and
13 the representative of the insurance industry, for terms expiring on May 1, 2009.

14 (b) The physician, the representative of health maintenance organizations, and
15 the member who represents the public interest, for terms expiring on May 1, 2011.

16 (2) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; STUDY OF PHYSICIAN
17 INFORMATION DATABASE. By March 1, 2006, the health care quality and patient safety
18 board shall study and make recommendations to the governor concerning the
19 feasibility of creating a centralized physician information database, including
20 through a joint public and private effort.

21 (3) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; STUDY OF RULES. By October
22 1, 2006, the health care quality and patient safety board shall study and make
23 recommendations to the governor concerning the rules required and authorized to
24 be promulgated by the department of health and family services under section
25 153.75 of the statutes.

1 (4) HEALTH CARE QUALITY AND PATIENT SAFETY BOARD; PLAN AND STRATEGIES. By
2 January 1, 2007, develop a plan and specific strategies, including awarding grants
3 or making loans under section 153.076 (2) of the statutes, as created by this act, to
4 deploy health care information systems technology for health care quality, safety,
5 and efficiency, within a reasonable time and using reasonable financial investments.
6 The plan shall consider the extent to which an integrated or interoperable system or
7 underlying technology may be most cost effective, including by assessing benefits of
8 the system for supporting rapid deployment for supporting medical care
9 practitioners, promoting accurate and appropriate shared information about
10 individual patients among health care providers, standardizing performance
11 indicators among health care provider organizations to improve organization
12 performance, and public reporting of quality, safety, and efficiency data for consumer
13 and health care purchaser decision making.

14 **SECTION 9121. Nonstatutory provisions; health and family services.**

15 (1) TRANSFER OF FUNCTIONS OF THE BOARD ON HEALTH CARE INFORMATION.

16 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
17 liabilities of the department of health and family services primarily related to the
18 functions of the board on health care information, as determined by the secretary of
19 administration, shall become the assets and liabilities of the department of
20 administration.

21 (b) *Position and employee transfers.* All incumbent employees holding
22 positions in the department of health and family services performing duties
23 primarily related to the functions of the board on health care information, as
24 determined by the secretary of administration, are transferred on the effective date
25 of this paragraph to the department of administration.

1 (c) *Employee status.* Employees transferred under paragraph (b) have all the
2 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
3 statutes in the department of administration that they enjoyed in the department
4 of health and family services immediately before the transfer. Notwithstanding
5 section 230.28 (4) of the statutes, no employee so transferred who has attained
6 permanent status in class is required to serve a probationary period.

7 (d) *Tangible personal property.* On the effective date of this paragraph, all
8 tangible personal property, including records, of the department of health and family
9 services that is primarily related to the functions of the board on health care
10 information, as determined by the secretary of administration, is transferred to the
11 department of administration.

12 (e) *Contracts.* 1. All contracts entered into by the board on health care
13 information in effect on the effective date of this subdivision remain in effect and are
14 transferred to the health care quality and patient safety board. The health care
15 quality and patient safety board shall carry out any obligations under such a contract
16 until the contract is modified or rescinded by the health care quality and patient
17 safety board to the extent allowed under the contract.

18 2. All contracts entered into by the department of health and family services
19 in effect on the effective date of this subdivision that are primarily related to the
20 functions of the board on health care information, as determined by the secretary of
21 administration, remain in effect and are transferred to the department of
22 administration. The department of administration shall carry out any obligations
23 under such a contract until the contract is modified or rescinded by the department
24 of administration to the extent allowed under the contract.

1 (f) *Rules and orders.* 1. All rules promulgated by the board on health care
2 information that are in effect on the effective date of this subdivision remain in effect
3 until their specified expiration date or until amended or repealed by the health care
4 quality and patient safety board.

5 2. All rules promulgated by the department of health and family services that
6 are primarily related to the functions of the board on health care information, as
7 determined by the secretary of administration, that are in effect on the effective date
8 of this subdivision remain in effect until their specified expiration date or until
9 amended or repealed by the department of administration. All orders issued by the
10 department of health and family services that are primarily related to the functions
11 of the board on health care information, as determined by the secretary of
12 administration, that are in effect on the effective date of this subdivision remain in
13 effect until their specified expiration date or until amended or repealed by the
14 department of administration.

15 (g) *Pending matters.* Any matter pending with the board on health care
16 information on the effective date of this paragraph is transferred to the health care
17 quality and patient safety board and all materials submitted to or actions taken by
18 the board on health care information with respect to the pending matter are
19 considered as having been submitted to or taken by the health care quality and
20 patient safety board.

21 (2) HEALTH CARE INFORMATION; RULE MAKING. Notwithstanding the requirement
22 and authorization for the department of health and family services to promulgate
23 rules under section 153.75 of the statutes, before July 1, 2007, the department of
24 health and family services may promulgate under section 153.75 of the statutes only
25 rules that are first approved by the health care quality and patient safety board.

SECTION 9225. Appropriation changes; insurance.

(1) HEALTH CARE QUALITY IMPROVEMENT FUND. There is transferred from the injured patients and families compensation fund to the health care quality improvement fund \$25,000,000 in fiscal year 2005-06.

SECTION 9401. Effective dates; administration.

(1) CREATION OF HEALTH CARE QUALITY AND PATIENT SAFETY BOARD. The treatment of sections 15.07 (2) (n), 15.105 (13), 153.05 (2m) (d), 153.07 (5) to (9), and 153.076 of the statutes and SECTIONS 9101 (1), (2), (3), (4) and 9121 (1) and (2) of this act take effect on October 1, 2005.

SECTION 9421. Effective dates; health and family services.

(1) ELIMINATION OF BOARD ON HEALTH CARE INFORMATION. The treatment of sections 15.07 (2) (b) and (3) (bm) 1., 15.195 (6), 16.03 (3), 20.435 (4) (hg), 153.01 (2), and 153.76 of the statutes takes effect on October 1, 2005.

(END)

Changes to ch. 139 would also be appropriate. Sutch. II authorizes revenue obligations payable from "fees, penalties, and excise taxes". §§ 139.31(1) and 139.76(1) refer to "excise tax"; however, §§ 139.02(1) and 139.03 (intro.) refer to "occupational tax".

Champagne, Rick

From: Groethe, Reed [reed.groethe@foley.com]
Sent: Wednesday, January 26, 2005 11:32 AM
To: Champagne, Rick
Cc: Hoadley, Frank; Ryan, David B.; Johnston, James; Blaine, Robert
Subject: Draft legislation authorizing revenue obligations to fund grants for medical technology

Rick: Thanks for your explanations. Let me respond to the questions you put to us (numbers 1, 3, 4, and 5).

Number 1. Though I understand why you believe the public purpose is self-evident, the grants that would be funded by the revenue obligations are nevertheless payments to nongovernmental entities. The declaration of public purpose already contained in the draft meets the chapter 18 requirement; an articulation of why the grants serve a public purpose would make the declaration stronger.

Number 3. I see that, in compiling our comments, I made a mistake by ~~not showing~~ all the language that should be added. (I can't show underlines or strike-throughs in this e-mail message, so please excuse my clumsy way of showing what should be changed.)

Subsection (5) begins, "The legislature may provide, with respect to any specific issue of revenue obligations, prior to their issuance, that if ~~the special fund income or enterprise or program income pledged to the~~ payment of the principal of and interest on the issue is insufficient for that purpose, ..." After the comma, add the phrase "or is insufficient to replenish a reserve fund, if applicable,"

Number 4. After reviewing the matter again, we have concluded that ~~no~~ change is needed.

Number 5. The legislation should make clear what department or agency is carrying out program responsibilities for which the revenue obligations are being authorized, because s. 18.58 (4) authorizes that department or agency head to formulate covenants (which may be needed to provide additional security to the holders of the obligations). If it is intended that the Secretary of Administration have that authority, it would be appropriate to create an additional sentence for s. 16.526 reading as follows: "For the purpose of s. 18.58 (4), the department is carrying out program responsibilities for which the revenue obligations are authorized under this section." The additional sentence might be added as para. (c) under sub. (5); alternatively, it could become a second sentence in sub. (3).

(If it is intended that another department or agency have that power, then it should be similarly be specified, but in another chapter.)

-----Original Message-----

From: Champagne, Rick [mailto:Rick.Champagne@legis.state.wi.us]
Sent: Wednesday, January 26, 2005 8:10 AM
To: Hoadley, Frank; Groethe, Reed
Subject:

<<05-1649/3>>
Frank/Reed:

Attached is a copy of the "/3" version. Reed, you and Dave looked over the "/1" which was based on instructions from Jim Johnston at DOA at that time. Debora Kennedy is producing a "/4" as I write this to incorporate reconciliation changes with other budget drafts. Because of time constraints and my other work for the legislature this week, I will

try to make most of the simple changes on the "/4", but will need to address the other changes you have requested on a "/5" version. Anyway, that's the process for now.

If I don't mention your comments assume they will be address in the "/4" or "/5". To your other comments (which I will refer to on page and line numbers on the "/1"):

1. Pg. 5, line 14: Since the new purpose of the obligations is for funding costs associated with the reform of the Medical Assistance program, I don't believe we will have any kind of public purpose issue. If reform of MA program isn't a public purpose, we're in a lot of trouble beyond this draft!
2. Page 6, bottom of page: This is an issue for Frank -- do you want the moral obligation pledge?
3. Page 7, top of page: can't find the words "to replenish" in s. 18.61 (5).
4. Page 7, line 17: please tell me where you want this in ch. 18; don't have time to assume where you want it right now. Thanks.
5. page 7, bottom of page: what language do you need and where. Thanks.
6. Page 9, line 8: Just put it in to track other appropriations for the program; no legal significance. Do you want it in Frank or not. Maybe ask Dave Schmiedicke..
7. page 10, line 18: See "/3".

Rick Champagne
Senior Staff Counsel
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Champagne, Rick

From: Hoadley, Frank
Sent: Wednesday, January 26, 2005 10:50 AM
To: Champagne, Rick
Subject: RE:

Rick -

I believe Reed is commenting on most of the following items.

My comment on item 2: - Yes, include MO pledge authority.

My comment on item 6: Yes, this language is customary and avoids having to provide wild "guesstimates."

Frank

-----Original Message-----

From: Champagne, Rick [mailto:Rick.Champagne@legis.state.wi.us]
Sent: Wednesday, January 26, 2005 8:10 AM
To: Hoadley, Frank; Reed Groethe (E-mail)
Subject:

<< File: 05-1649/3 >>

Frank/Reed:

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5. page 7, bottom of page: what language do you need and where. Thanks.
6. Page 9, line 8: Just put it in to track other appropriations for the program; no legal significance. Do you want it in Frank or not. Maybe ask Dave Schmiedicke..
7. page 10, line 18: See "/3".

Rick Champagne
Senior Staff Counsel
Legal Section
Wisconsin Legislative Reference Bureau
1 East Main St.
Suite 200
Madison, WI 53703
(608) 266-9930
FAX (608) 264-6948

Kennedy, Debora

From: Blaine, Robert
Sent: Wednesday, January 26, 2005 4:24 PM
To: Kennedy, Debora
Cc: Merry-Mason, Monica
Subject: Hospital Assessment Draft -- OUT!!!

Importance: High

Debora -- late breaking decision. We are not doing the hospital assessment. Please drop draft 0749. I realize this screws up some of your other reconciled drafts. Sorry for the late change. Call me if you need to discuss.

Robert Blaine

Wisconsin State Budget Office
Department of Administration
608/267-7980
608/267-0372 (fax)
robert.blaine@doa.state.wi.us